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Paul M. Basta

Kelley A. Cornish

Lewis R. Clayton

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
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**SUMMARY SHEET TO THE FIRST INTERIM FEE
APPLICATION OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP,
ATTORNEYS FOR THE DEBTORS FOR THE PERIOD FROM OCTOBER 15, 2018
THROUGH AND INCLUDING FEBRUARY 28, 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365), and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

General Information

Name of Applicant:	Paul, Weiss, Rifkind, Wharton & Garrison LLP
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	November 16, 2018, <i>nunc pro tunc</i> to October 15, 2018
Prior Applications:	None
Period for which compensation and reimbursement is sought:	October 15, 2018 through February 28, 2019 (the " <u>Fee Period</u> ")

Summary of Fees and Expenses Sought for the Fee Period

Amount of Fees Sought as Actual, Reasonable, and Necessary for the Fee Period:	\$14,377,232.25
Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary for the Fee Period:	\$288,917.88
Total Fees and Expense Reimbursement Requested for the Fee Period:	\$14,666,150.13

Total Fees and Expenses Allowed Pursuant to Prior Applications

Total Allowed Fees Paid to Date:	N/A
Total Allowed Expenses Paid to Date:	N/A
Total Allowed Fees and Expenses Paid to Date:	N/A

Total Fees and Expenses Paid to Applicant Pursuant to Monthly Statements

Fees Sought for this Fee Period Already Paid \$9,870,389.20²
Pursuant to Monthly Fee Statements but Not
Yet Allowed (80% of fees):

Expenses Sought for this Fee Period Already \$168,054.82³
Paid Pursuant to Monthly Fee Statements but
Not Yet Allowed (100% of expenses):

Total Fees and Expenses Sought for this Fee \$10,038,444.02⁴
Period Already Paid Pursuant to Monthly Fee
Statements but Not Yet Allowed:

Total Fees and Expenses Sought for this Fee \$4,627,706.11⁵
Period Not Yet Paid:

Summary of Rates and Other Related Information for this Fee Period

Blended Rate in this Application for All \$1,020.28
Attorneys:

² The objection period for the Fifth Monthly Fee Statement expired on April 13, 2019. As such, Paul Weiss anticipates receiving \$1,650,681.20, which represents 80% of fees incurred during the period of February 1, 2019 through February 28, 2019 ("Fifth Monthly Fee Period"), before the Court enters an order on this First Interim Fee Application. Upon receipt, fees sought for this Fee Period already paid pursuant to monthly fee statements but not yet allowed will equal \$11,521,070.40. Paul, Weiss reserves all rights with respect to the foregoing.

³ The objection period for the Fifth Monthly Fee Statement expired on April 13, 2019. As such, Paul Weiss anticipates receiving \$120,863.06, which represents 100% of expenses incurred during the Fifth Monthly Fee Period, before the Court enters an order on this First Interim Fee Application. Upon receipt, expenses sought for this Fee Period already paid pursuant to monthly fee statements but not yet allowed will equal \$288,917.88. Paul, Weiss reserves all rights with respect to the foregoing.

⁴ The objection period for the Fifth Monthly Fee Statement expired on April 13, 2019. As such, Paul Weiss anticipates receiving \$1,771,544.26, in the aggregate, which represents 80% of fees and 100% of expenses incurred during the Fifth Monthly Fee Period, before the Court enters an order on this First Interim Fee Application. Upon receipt, the total fees and expenses sought for this Fee Period already paid pursuant to monthly fee statements but not yet allowed will be \$11,809,988.28. Paul, Weiss reserves all rights with respect to the foregoing.

⁵ This amount represents \$2,856,161.85, representing holdback fees equal to 20% of fees incurred during the Fee Period, plus \$1,771,544.26, representing 80% of fees and 100% of expenses incurred during the Fifth Monthly Fee Period. As noted *supra* note 4, Paul, Weiss anticipates receiving \$1,771,544.26, in the aggregate, before the Court enters an order on this First Interim Fee Application. Upon receipt, the total fees and expenses sought for this Fee Period not yet paid will equal \$2,856,161.85. Paul, Weiss reserves all rights with respect to the foregoing.

Blended Rate in this Application for All Timekeepers:	\$736.09
Number of Timekeepers Included in this Application:	71
Number of Attorneys in this Application Not Included in Staffing Plan Discussed with Client:	0
Difference Between Fees Budgeted and Compensation Sought for this Period:	Fees are within the budgeted range.
Number of Attorneys Billing Fewer than 15 Hours to the Case During the Fee Period	6
Increase in Rates Since Date of Retention:	None

This is an: ____ monthly X interim ____ final application

Summary of Prior Monthly Fee Statements

Date Filed & ECF No.	Period Covered	Total Compensation and Expenses Incurred for Period Covered		Total Amount Previously Requested with Prior Monthly Fee Statement		Total Amount Paid to Date		Holdback Fees Requested (20%)
		Fees	Expenses	Fees (80%)	Expenses (100%)	Fees (80%)	Expenses (100%)	
11/29/2018 ECF No. 936	10/15/2018- 10/31/2018	\$1,282,895.00	\$14,143.57	\$1,026,316.00	\$14,143.57	\$1,026,316.00	\$14,143.57	\$253,225.00 ¹
12/20/2018 ECF No. 1376	11/01/2018- 11/30/2018	\$ 2,837,936.50	\$35,486.63	\$2,270,349.20	\$35,486.63	\$2,270,349.20	\$35,486.63	\$564,528.80 ²
1/30/19 ECF No. 2204	12/01/2018- 12/31/2018	\$3,780,169.50	\$91,688.25	\$3,024,135.60	\$91,688.25	\$3,024,135.60	\$91,688.25	\$739,588.65 ³
2/27/19 ECF No. 2707	01/01/2019- 01/31/2019	\$4,436,985.50	\$26,736.37	\$3,549,588.40	\$26,736.37	\$3,549,588.40	\$26,736.37	\$886,149.10 ⁴
3/29/19 ECF No. 2991	02/01/2019- 02/28/2019	\$2,063,351.50	\$120,863.06	\$1,650,681.20	\$120,863.06	\$0 ⁵	\$0 ⁶	\$412,670.30

¹ This amount reflects a deduction of \$3,354.00 in fees for an overcharge in non-working travel time in the First Monthly Fee Statement [Docket No. 936].

² This amount reflects a deduction of \$3,058.50 in fees for an overcharge in non-working travel time in the Second Monthly Fee Statement [Docket No. 1376].

³ This amount reflects a deduction of \$16,445.25 in fees for an overcharge in non-working travel time in the Third Monthly Fee Statement [Docket No. 2204].

⁴ This amount reflects a deduction of \$1,248.00 in fees for an overcharge in non-working travel time in the Fourth Monthly Fee Statement [Docket No. 2707].

⁵ The objection period for the Fifth Monthly Fee Statement expired on April 13, 2019. Accordingly, Paul, Weiss anticipates receiving \$1,650,681.20, which represents 80% of the fees incurred during the Fifth Monthly Fee Period, before the Court enters an order on this First Interim Fee Application.

⁶ The objection period for the Fifth Monthly Fee Statement expired on April 13, 2019. Accordingly, Paul, Weiss anticipates receiving \$120,863.06, which represents 100% of the expenses incurred during the Fifth Monthly Fee Period, before the Court enters an order on this First Interim Fee Application.

Total for First Interim Fee Application	10/15/2018- 2/28/2019	\$14,377,232.25 ⁷	\$288,917.88	\$11,521,070.40	\$288,917.88	\$9,870,389.20	\$168,054.82	\$2,856,161.85
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Summary of Objections to Monthly Fee Statements: None

Compensation Sought in this Application Not Yet Paid: \$4,627,706.11⁸

⁷ The monthly fees incurred by Paul, Weiss from October 15, 2018 through February 28, 2019 totaled \$14,401,338.00. As noted *supra* notes 1–4, this First Interim Fee Application deducts \$24,105.75 in the aggregate from such monthly fees to account for inadvertent overcharges relating to non-working travel time billed on Paul, Weiss’s previously filed fee statements for the time periods from October 15, 2018 through January 31, 2019. As such, the amount of monthly fees reported in this First Interim Fee Application equals \$14,401,338.00 less \$24,105.75, or \$14,377,232.25.

⁸ This amount represents \$2,856,161.85, representing holdback fees equal to 20% of fees incurred during the Fee Period, plus \$1,771,544.26, representing 80% of fees and 100% of expenses incurred during the Fifth Monthly Fee Period. Paul, Weiss anticipates receiving \$1,771,544.26, in the aggregate, before the Court enters an order on this First Interim Fee Application. Upon receipt, the compensation sought for this Fee Period not yet paid will equal \$2,856,161.85. Paul, Weiss reserves all rights with respect to the foregoing

Compensation By Professional
October 15, 2018 through February 28, 2019

Name of Professional	Title	Department	Year Admitted	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Kelley Cornish	Partner	Bankruptcy	1984	1,560	531.6	816,114.00
Meredith Kane	Partner	Real Estate	1983	1,560	2.6	4,056.00
Paul Basta	Partner	Bankruptcy	1993	1,560	625.2	975,312.00
Lewis Clayton	Partner	Litigation	1979	1,560	352.0	544,206.00
Susanna Buerger	Partner	Litigation	2002	1,485	522.2	775,467.00
Manuel Frey	Partner	Corporate	2000	1,455	8.2	11,931.00
Robert Britton	Partner	Bankruptcy	2008	1,165	623.5	709,506.00
Jonathan Hurwitz	Counsel	Litigation	1987	1,160	709.8	823,368.00
Stephen Koo	Counsel	Corporate	1988	1,160	30.5	35,380.00
Karen King	Counsel	Litigation	2001	1,160	255.4	296,264.00
Karla Booth	Counsel	Real Estate	2006	1,125	19.5	21,937.50
Daniel Mason	Counsel	Litigation	2008	1,125	5.2	5,850.00
Adam Denhoff	Associate	Bankruptcy	2011	1,065	1.0	1,065.00
Shane Avidan	Associate	Litigation	2013	1,005	483.0	485,415.00
Anna-Lisa Vanzo	Associate	Litigation	2016	920	3.8	3,496.00
Emma C. Carlson	Associate	Bankruptcy	2017	835	39.3	32,815.50
Michael Colarossi	Associate	Bankruptcy	2017	835	17.5	14,612.50
Julia Maddera	Associate	Litigation	2018	835	27.3	22,795.50
Felicia Siegel	Associate	Real Estate	2016	835	33.7	28,139.50
Wendy Wang	Associate	Real Estate	2018	835	0.3	250.50
Jonathan Silberstein-Loeb	Associate	Litigation	2015	940	521.7	490,398.00
Shaina Reiko Rogozen	Associate	Litigation	2012	1,030	295.5	304,365.00
Paul Gross	Associate	Litigation	2018	1,030	80.4	59,094.00
Emily Hoyle	Associate	Litigation	2018	735	721.2	527,031.75
Nicolas Kabat	Associate	Litigation	2018	735	40.7	29,914.50
Jake Struebing	Associate	Litigation	2018	735	656.0	482,160.00
David Giller	Associate	Litigation	2015	940	799.5	747,300.00
Rachel Corrigan	Associate	Litigation	2019	640	790.4	505,856.00
Akila Sarathy	Associate	Litigation	Not admitted	640	650.3	416,192.00
Caitlin Toto	Associate	Bankruptcy	2019	640	218.2	137,728.00
Teresa Lii	Associate	Bankruptcy	2014	920	560.3	512,946.00
Attorney Total:					9625.8	9,820,966.00

Name of Staff Attorneys, Paralegals, and Other Non-Legal Staff	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Joanie Hecht	480	259.5	124,560.00
Madhuri Pavamani	490	366.1	179,389.00
Peter Yoerg	480	406.4	195,072.00
Francine Murray	490	469.5	230,055.00
Joseph Samuel	480	345.5	165,840.00
Nilda Rivera	480	302.3	145,104.00
Binsy Cyriac	480	467.2	224,256.00
Ydalim Ramon	480	97.8	46,944.00
Destiny Harmon	480	360.9	173,232.00
Lisa Johnson	480	438.7	210,576.00
Alexandra Stancu	480	313.6	150,528.00
William Wolfsheimer	480	326.0	156,480.00
Mark Shapiro	480	442.1	212,208.00
Richard Dieguez	480	157.4	75,552.00
James Crutchfield	480	360.6	173,088.00
Scott Golodner	480	550.1	264,048.00
Chaim Rybak	480	374.8	179,904.00
Robin Cohen	480	64.2	30,816.00
Akiva Reich	480	507.2	243,456.00
John Rowland	480	511.9	245,712.00
Patricia Perez	480	74.8	35,904.00
Sergio Herrera	480	434.0	208,320.00
Ye Qing	480	314.1	150,768.00
Arianny Mejia	480	510.5	245,040.00
Qing Di	640	21.0	13,440.00
Joseph Monzione	365	53.9	19,673.50
Brooke Filler	365	16.8	6,132.00
Zakiya Williams Wells	315	28.0	8,820.00
Anna Margolis	315	14.3	4,504.50
Rubin Danberg Biggs	315	238.8	75,222.00
Sarah Griffin	315	272.3	85,774.50
Olivia Irby	315	114.4	36,036.00
Robert Graham	315	10.1	3,181.50
Frank Eng	365	185.2	67,598.00
Elisabeth Stuveras	345	102.8	35,466.00
Frank Oliveras	345	18.8	6,486.00
Justin Turnofsky	345	58.6	20,217.00
Alan Wilbur	345	205.4	70,863.00
Christopher Ho	345	82.2	28,359.00
Ai Na Liu	270	28.3	7,641.00
Total Staff Attorneys, Paralegals and Other Non-Legal Staff:		9906.1	4,556,266.00

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners and Counsel	1,361.86	3,685.7	5,019,391.50
Associates	808.33	5,940.1	4,801,574.75
Staff Attorneys/Paralegals/Non- Legal Staff	459.95	9,906.1	4,556,266.00
Blended Attorney Rate	1,020.28		
Blended Rate All Timekeepers	736.09		
Total Fees Incurred		19,531.90	\$14,377,232.25

Compensation by Project Category
October 15, 2018 through February 28, 2019

Project Category	Total Hours	Total Fees (\$)
Case Administration (701)	164.1	99,557.00
Conflict Matters: General (702)	415.6	347,561.50
Conflict Matters: Investigations & Discovery (703)	15,368.2	10,061,264.50
Conflict Matters: Strategic Advice (704)	69.8	56,810.50
Fee/Employment Applications (Paul, Weiss) (705)	264.3	208,879.50
Fee/Employment Applications (Other) (706)	175.5	182,859.50
Fee/Employment Objections (707)	0	\$0
Cash Collateral/DIP Issues (708)	29.9	36,545.50
Plan and Disclosure Statement (709)	53.3	61,589.00
Litigation (710)	922.2	897,945.50
Valuation (711)	0	\$0
Travel Time (712)	58.2	33,313.75
Court Hearings (713)	270.3	349,876.50
Sale Transactions (714)	1,727.8	2,027,029.00
Creditor Inquiries (715)	1.3	1,462.50
Corporate Governance (716)	11.4	12,538.00
TOTAL	19,531.9	\$14,377,232.25

Expense Summary
October 15, 2018 through February 28, 2019

Expenses Category	Total Expenses (\$)
Court Costs & Lit Expenses	46,336.67
Client Organizational Expenses	4,412.50
Information Retrieval Services	68,042.85
Out-of-Town Travel	23,156.03
Miscellaneous	534.41
Word Processing	6,663.75
Overtime Expenses	19,235.21
Duplicating Expenses	83,357.49
Communications	429.41
Mail and Messengers	4,499.32
Local Transportation Expenses	14,988.47
Business Expenses	17,261.77
TOTAL	288,917.88

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Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
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**FIRST INTERIM FEE APPLICATION OF
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP,
ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION, FOR THE
PERIOD FROM OCTOBER 15, 2018 THROUGH**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365), and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

AND INCLUDING FEBRUARY 28, 2019

TO THE HONORABLE ROBERT DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul, Weiss”), attorneys for the above-captioned debtors and debtors in possession (collectively, the “Debtors”), acting at the direction of the Restructuring Sub-Committee, hereby submits its first interim fee application (the “Fee Application”), pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2016-1 of the Local Rules for the Southern District of New York (the “Local Rules”), for allowance of compensation for professional services provided in the amount of \$14,377,232.25 and reimbursement of actual and necessary expenses in the amount of \$288,917.88 that Paul, Weiss incurred for the period from October 15, 2018 through February 28, 2019 (the “Fee Period”). In support of this Fee Application, Paul, Weiss submits the declaration of Paul M. Basta, a partner of Paul, Weiss regarding Paul, Weiss’s compliance with the Fee Guidelines (defined below) (the “Basta Declaration”), which is attached hereto as Exhibit A. In further support of this Fee Application, Paul, Weiss respectfully states as follows:

Preliminary Statement

1. During the Fee Period, and since the commencement of these chapter 11 cases (the “Chapter 11 Cases”), Paul, Weiss professionals were retained to render professional services (i) acting at the direction of the restructuring sub-committee (the “Restructuring Sub-Committee”) of the restructuring committee (the “Restructuring Committee”) of the Company’s board of directors (the “Board”) with respect to certain matters controlled by the Restructuring Sub-Committee (the “RSC Conflict Matters”), including the Debtors’ investigation into prepetition related party transactions, and (ii) acting at the direction of the Restructuring

Committee or the Restructuring Sub-Committee, as the case may be, in connection with all matters in which Weil, Gotshal, & Manges LLP (“Weil”) could not represent the Debtors due to an actual or perceived conflict of interest (the “Other Conflict Matters” and, together with the RSC Conflict Matters, the “Conflict Matters”). This representation has enabled the Debtors to make significant progress in their restructuring efforts. With the advice and assistance of Paul, Weiss, the Restructuring Sub-Committee has investigated, and continues to investigate, the legal and factual bases of prepetition related party transactions, analyzing hundreds of thousands of documents and conducting eleven on-the-record witness interviews. Further, with the assistance of Paul, Weiss, the Debtors successfully negotiated the sale of substantially all of the Debtors’ assets to Transform Holdco LLC in exchange for a credit bid of prepetition debt owed by related party ESL Investments, Inc., \$35 million in cash, and the allowance or payment of certain third party claims against the Debtors. Moreover, with the assistance of Paul, Weiss, the Restructuring Sub-Committee has identified substantial claims against ESL Investments, Inc. and others, and Paul, Weiss has prepared a complaint in relation to those claims. Paul, Weiss respectfully submits that the compensation and expense reimbursement sought herein for the necessary and beneficial professional services Paul, Weiss provided to the Debtors during the Fee Period is reasonable and appropriate, commensurate with the scale, nature, and complexity of these Chapter 11 Cases, and should be allowed.

2. On November 16, 2018 this Court entered the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”). The Interim Compensation Order provides that when seeking compensation for services rendered, professionals must submit monthly fee statements to certain notice parties. Each person receiving a statement has fifteen (15) days after its receipt to review

and object to such monthly fee statements. If no objection is made, the Debtors are authorized to pay 80% of the fees requested (with the remaining 20% of the fees requested referred to herein as the “Holdback”) and 100% of the charges and disbursements requested. Paul, Weiss has submitted monthly fee statements for each of the months covered by the Fee Period. The aggregate Holdback amount for the Fee Period is \$2,856,161.85 (the “First Interim Period Holdback”). Paul, Weiss is currently seeking allowance and payment of the First Interim Period Holdback.

3. This Fee Application has been prepared in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Interim Compensation Order, the *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases pursuant to General Order M-447* (Jan. 29, 2013) (the “Local Guidelines”), and the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “UST Guidelines,” and, together with the Local Guidelines, the “Fee Guidelines”).

4. The Debtors have been given the opportunity to review this Fee Application and have approved the compensation and reimbursement of expenses requested herein.

Jurisdiction and Basis for Relief

5. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

A. The Chapter 11 Filings and General Case Background

6. On October 15, 2018 (the “Petition Date”), and continuing thereafter, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors’ Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Bankruptcy Rules. The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. On October 24, 2018, the United States Trustee for Region 2 appointed an official committee of unsecured creditors (the “Creditors’ Committee”). No trustee or examiner has been appointed in these Chapter 11 Cases.

7. Information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Robert A. Riecker Pursuant to Rule 1007-2 of the Local Rules for Southern District of New York*, sworn to on the Petition Date [Docket No. 3] (the “Riecker Declaration”)².

8. The Debtors have advised Paul, Weiss that, to date, all quarterly fees due to the United States Trustee for the Southern District of New York (the “U.S. Trustee”) have been paid.

B. The Debtors’ Retention of Paul, Weiss

9. On November 1, 2018 the Debtors filed an application to employ Paul, Weiss as their attorneys acting at the direction of the Restructuring Sub-Committee [Docket No. 417] (the “Retention Application”). On November 16, 2018, the Court entered an order approving the Retention Application [Docket No. 774] (the “Retention Order”).

10. The Retention Order authorized the Debtors to compensate and reimburse Paul, Weiss, *nunc pro tunc* to the Petition Date, as their attorneys acting at the direction of the

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Riecker Declaration.

Restructuring Sub-Committee in these Chapter 11 Cases. The Retention Order further authorized Paul, Weiss to provide services as described in the Retention Application, including:

- (a) investigating and advising the Restructuring Sub-Committee regarding whether a matter constitutes a RSC Conflict Matter;
- (b) conducting investigations and analyses sufficient to advise the Restructuring Sub-Committee regarding RSC Conflict Matters;
- (c) implementing the directions of the Restructuring Sub-Committee related to RSC Conflict Matters;
- (d) implementing the directions of the Restructuring Committee or the Restructuring Sub-Committee, as the case may be, with respect to Other Conflict Matters; and
- (e) rendering services for the Restructuring Sub-Committee and Restructuring Committee including, but not limited to, fact investigation, legal research, briefing, argument, discovery, negotiation, litigation, participation in meetings of the Board and applicable committees thereof, appearance and participation in hearings, and communications and meetings with parties in interest, in each case as it relates to RSC Conflict Matters or Other Conflict Matters.

C. Disinterestedness of Paul, Weiss

11. To the best of the Debtors' knowledge and as disclosed in the *Declaration of Paul M. Basta in Support of the Debtors' Application for an Order Authorizing the Retention and Employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP as Attorneys for the Debtors Nunc Pro Tunc to the Petition Date*, attached as Exhibit B to the Retention Application (the "Initial Declaration"), as well as the *First Supplemental Declaration of Paul M. Basta in Support of the Debtors' Application for an Order Authorizing the Retention and Employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP as Attorneys for the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. 516] (the "First Supplemental Declaration"), the *Second Supplemental Declaration of Paul M. Basta in Support of Debtors' Application for an Order Authorizing the Retention and Employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP as Attorneys for*

the Debtors Nunc Pro Tunc to the Petition Date [Docket No. 1400] (the “Second Supplemental Declaration”), and the *Third Supplemental Declaration of Paul M. Basta in Support of Debtors’ Application for an Order Authorizing the Retention and Employment of Paul, Weiss, Rifkind, Wharton & Garrison LLP as Attorneys for the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. 2738] (collectively the “Basta Declarations”) (a) Paul, Weiss is a “disinterested person” within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors’ estates, and (b) Paul, Weiss has no connection to the Debtors, their creditors, or other parties in interest, except as may have been disclosed in the Basta Declarations.

12. Paul, Weiss may have in the past represented, may currently represent, and may in the future represent parties in interest in connection with matters unrelated to the Debtors in these Chapter 11 Cases. In the Basta Declarations, Paul, Weiss disclosed its connections to parties in interest that it has been able to ascertain using its reasonable efforts. In light of the extensive number of the Debtors’ creditors and other parties in interest, Paul, Weiss is unable to conclusively identify all potential relationships. To the extent that Paul, Weiss becomes aware of any additional relationships that may be relevant to Paul, Weiss’s representation of the Debtors, Paul, Weiss will promptly file a supplemental declaration.

13. Paul, Weiss performed the services for which it is seeking compensation at the direction of the Restructuring Sub-Committee and on behalf of the Debtors and their estates, and not on behalf of any other committee, creditor, or other entity.

14. As previously disclosed in the Initial Declaration, Paul, Weiss received an advanced payment retainer in connection with its engagement in the amount of \$250,000, which it applied against its prepetition invoices. Paul, Weiss has received no payment and no promises

for payment from any source other than the Debtors for services provided or to be provided in any capacity whatsoever in connection with these Chapter 11 Cases.

15. Pursuant to Bankruptcy Rule 2016(b), Paul, Weiss has not shared, nor has Paul, Weiss agreed to share, (a) any compensation it has received or may receive with another party or person other than with the partners, counsel, and associates of Paul, Weiss, or (b) any compensation another person or party has received or may receive.

**Summary of Professional Compensation
and Reimbursement of Expenses Requested**

16. Paul, Weiss seeks allowance of interim compensation for professional services performed during the Fee Period in the amount of \$14,377,232.25 and for reimbursement of expenses incurred in connection with the rendition of such services in the amount of \$288,917.88. During the Fee Period, Paul, Weiss attorneys and paraprofessionals expended a total of 19,531.9 hours in connection with the necessary services performed.

17. The hourly rates set forth in the Initial Declaration are Paul, Weiss's standard hourly rates. These rates are set at a level designed to fairly compensate Paul, Weiss for the work of its attorneys and paralegals and to cover fixed and routine overhead expenses and are revised on an annual basis. The hourly rates and corresponding rate structure utilized by Paul, Weiss in these Chapter 11 Cases are equivalent to the hourly rates and corresponding rate structure used by Paul, Weiss for other bankruptcy matters, as well as non-bankruptcy matters. The rates and rate structure reflect that such restructuring and other complex matters typically are national in scope and typically involve great complexity, high stakes, and severe time pressures.

18. Attached hereto as Exhibit B is a schedule of Paul, Weiss attorneys and paraprofessionals who have performed services for the Debtors during the Fee Period, the capacities in which each individual is employed by Paul, Weiss, the department in which the

individual practices, the hourly billing rate charged by Paul, Weiss for services performed by such individuals, the year in which each attorney was first licensed to practice law, where applicable, and the aggregate number of hours expended in this matter and fees billed in connection therewith.

19. Attached hereto as Exhibit C is a summary of Paul, Weiss's time records billed using task codes described below. To provide a meaningful summary of Paul, Weiss's services provided on behalf of the Debtors and their estates, Paul, Weiss has established, in accordance with its internal billing procedures, certain task code categories (each, a "Task Code Category") in connection with these Chapter 11 Cases. Paul, Weiss maintains computerized records of time spent by all Paul, Weiss attorneys and paraprofessionals in connection with these Chapter 11 Cases. Copies of these computerized records have been furnished to the Debtors, the Court, and the U.S. Trustee in the format specified by the Fee Guidelines for each month of the case through February 2019, each with a statement of the fees and disbursements accrued during the corresponding month.

20. Attached hereto as Exhibit D is a schedule specifying the categories of expenses for which Paul, Weiss is seeking reimbursement and the total amount for each such expense category. Itemized computer records of all such expenses have been provided to the Debtors and filed in conjunction with each monthly fee statement.

21. Attached hereto as Exhibit E is a summary and comparison of the aggregate blended hourly rates billed by Paul, Weiss New York timekeepers to non-bankruptcy matters during the proceeding rolling twelve-month period year ending February 28, 2019 and the blended hourly rates billed to the Debtors during the Fee Period.

22. Attached hereto as Exhibit F is a budget and staffing plan prepared in connection with Paul, Weiss's representation of the Debtors in these Chapter 11 Cases.

23. To the extent that time or disbursement charges for services rendered or disbursements incurred relate to the Fee Period, but were not processed prior to the preparation of this Fee Application, Paul, Weiss reserves the right to request additional compensation for such services and reimbursement of such expenses by future application to the Court.

Summary of Legal Services Rendered During the Fee Period

24. As discussed above, during the Fee Period, Paul, Weiss provided extensive and significant professional services to the Debtors acting at the direction of the Restructuring Sub-Committee in connection with these Chapter 11 Cases. These services were often performed under severe time constraints and were necessary to address a multitude of critical issues both unique to these Chapter 11 Cases and typically faced by large corporate debtors in similar cases of this magnitude and complexity.

25. Below is a more detailed summary of the most significant professional services performed by Paul, Weiss in each Task Code Category, organized in accordance with Paul, Weiss's internal system of matter numbers for these Chapter 11 Cases. The detailed descriptions demonstrate that Paul, Weiss was heavily involved in performing services for the Debtors on a daily basis, often including night and weekend work, to meet the needs of the Debtors' estates in these Chapter 11 Cases.

A. Case Administration [Matter 701]

Total Fees: \$99,557.00

Total Hours: 164.1

26. This task code includes time spent by Paul, Weiss attorneys on various administrative tasks, including maintenance of case calendars, working group lists, task lists, and

timelines created for use by Paul, Weiss attorneys and the Debtors, as well as creation and distribution of documents to the Paul, Weiss team, the Debtors, the U.S. Trustee and the Court. This task code includes time spent by Paul, Weiss attorneys preparing for and participating in calls and meetings with the Paul, Weiss team and/or with the Debtors and their other professionals, including to discuss case status or other open items.

B. Conflict Matters: General [Matter 702]

Total Fees: \$347,561.50

Total Hours: 415.6

27. This task code includes time spent by Paul, Weiss attorneys on tasks in connection with general conflict matters. This task code primarily encompasses time spent researching, drafting and editing internal memoranda analyzing general case issues, such as general procedural issues and general bankruptcy law issues.

C. Conflict Matters: Investigations & Discovery [Matter 703]

Total Fees: \$10,061,264.50

Total Hours: 15,368.20

27. This task code includes time spent by Paul, Weiss attorneys on a multitude of tasks relating to all aspects of the investigation of prepetition related party transactions. In particular, this task code includes (a) all aspects of document review, including coordinating document production with various parties and reviewing hundreds of thousands of documents for privilege and responsiveness, (b) analyzing the legal and factual bases of potential claims in connection with prepetition related party transactions, (c) researching, drafting, and revising outlines in preparation for the eleven on-the-record witness interviews undertaken as part of the investigation of prepetition related party transactions, (d) preparing for and conducting the aforementioned interviews, (e) preparing witnesses for depositions in connection with the RSC Conflict Matters, and (f) attending in-person and telephonic conferences with various parties,

such as the Restructuring Sub-Committee, the Restructuring Committee, the Debtors' other professionals, and the Creditors' Committee, on matters relating to the investigation.

D. Conflict Matters: Strategic Advice [Matter 704]

Total Fees: \$56,810.50

Total Hours: 69.8

28. This task code includes time spent by Paul, Weiss attorneys (a) conducting internal Paul, Weiss team meetings to discuss case strategy, (b) participating in calls with the Debtors' other professionals to discuss the same, and (c) reviewing and responding to general case correspondence between the Paul, Weiss attorneys and the Debtors regarding case updates and strategy.

E. Fee/Employment Applications (Paul, Weiss) [Matter 705]

Total Fees: \$208,879.50

Total Hours: 264.3

29. This task code includes time spent preparing and filing the monthly fee statements, including confirming attorneys' and paralegals' recorded time in the appropriate Task Code Category, reviewing time detail to ensure compliance with the Fee Guidelines, reviewing time detail for privileged information, drafting the fee statements, and creating tables and summarizing time detail to adequately disclose compensation and expense reimbursements sought in each monthly fee statement. This task code also includes time spent preparing and drafting the Paul, Weiss retention application and the Basta Declarations.

F. Fee/Employment Applications (Other) [Matter 706]

Total Fees: \$182,859.50

Total Hours: 175.5

30. This task code includes time spent preparing, reviewing, and filing the monthly fee statements of the Debtors' other professionals acting at the direction of the Restructuring Sub-Committee, including Alvarez & Marsal North America, LLC ("A&M"), Evercore Group,

LLC (“Evercore”), and Stout, Risius & Ross, LLC (“Stout”). In particular, this task code includes reviewing time detail to ensure compliance with the Fee Guidelines, and creating tables and summarizing time detail to adequately disclose compensation and expense reimbursements sought in each monthly fee statement. This task code also includes time spent preparing and drafting the retention applications and engagement letters of A&M, Evercore, and Stout, and responding to the *Objection of the Official Committee of Unsecured Creditors of Sears Holdings Corporation, et al. to Debtors’ Application to Retain and Employ Evercore Group L.L.C. as Investment Banker* [Docket No. 629].

G. Cash Collateral/DIP Issues [Matter 708]

Total Fees: \$36,545.50

Total Hours: 29.9

31. This task code includes time spent by Paul, Weiss attorneys on tasks relating to DIP financing issues. In particular, this task code includes time drafting and revising the DIP term sheets and DIP orders, and participating in calls with the Debtors’ other professionals to discuss the same.

H. Plan and Disclosure Statement [Matter 709]

Total Fees: \$61,589.00

Total Hours: 53.3

32. This task code includes time spent by Paul, Weiss attorneys researching, drafting and revising the plan and related documents. This task code also includes time spent by Paul, Weiss attorneys assisting the Debtors in developing a plan of reorganization, and in particular, plan matters relating to RSC Conflict Matters. For example, this task code includes time spent by Paul, Weiss professionals (a) participating in multiple conferences with the Debtors’ other professionals, and the Debtors’ key stakeholders regarding the development of the plan, and (b)

reviewing and analyzing materials concerning plan-related issues, including a draft plan term sheet.

I. Litigation [Matter 710]

Total Fees: \$897,945.50

Total Hours: 922.2

33. This task code includes time spent by Paul, Weiss attorneys researching and drafting various litigation documents, including the time spent preparing to respond to the *Motion of the Official Committee of Unsecured Creditors of Sears Holdings Corporation, et al. for Entry of an Order Granting (I) Leave, Standing, and Authority to Commence and Prosecute Certain Claims on Behalf of the Debtors' Estates and (II) Non-Exclusive Settlement Authority in Respect of Such Claims* [Docket No. 1765] and other related motions. This task code also includes time spent drafting, reviewing, and editing a complaint in connection with prepetition related party transactions.

J. Travel Time [712]

Total Fees: \$33,313.75

Total Hours: 58.2

34. This task code includes non-working travel time spent by Paul, Weiss attorneys traveling to and from court hearings, interviews, depositions, and other case matters. The fees for this task code are billed at fifty percent.

K. Court Hearings [Matter 713]

Total Fees: \$349,876.50

Total Hours: 270.3

35. This task code includes time spent by Paul, Weiss attorneys attending various court hearings, including the first and second day hearings, the hearing to approve the sale of substantially all of the Debtors' assets, and various other omnibus hearings in these Chapter 11

Cases. All Paul, Weiss attorneys who attended the hearing provided support for, and/or argued at, the various court hearings.

L. Sale Transactions [Matter 714]

Total Fees: \$2,027,029.00

Total Hours: 1,727.8

36. This task code includes time spent by Paul, Weiss attorneys on various tasks in relation to the sale of substantially all of the Debtors' assets. In particular, this includes (a) the research and analysis of credit bidding issues, (b) attending in-person and telephonic conferences with various parties, such as the Restructuring Committee, the Restructuring Sub-Committee, the Debtors, ESL Investments, Inc., and the Creditors' Committee, to discuss and negotiate the multiple bids submitted by ESL Investments, Inc., or affiliates thereof, to purchase substantially all of the Debtors' assets, (c) preparing for and participating in negotiations in connection with the initial release of certain prepetition claims against ESL Investments, Inc. embodied in that certain Asset Purchase Agreement, dated January 17, 2019 (as amended on February 11, 2019 and as amended or modified from time to time), (d) preparing for and attending the auction to sell substantially all of the Debtors' assets, which includes time spent attending in-person and telephonic conferences with various parties to discuss pertinent case issues, (e) preparing for the hearing to approve the sale of substantially all of the Debtors' assets, which includes time spent researching and reviewing case issues as it pertained to the sale hearing and RSC Conflict Matters, (f) researching, drafting, and revising the *Restructuring Subcommittee's Response to the Objection of the Official Committee of Unsecured Creditors to the Sale of Substantially All of the Debtors' Assets to ESL Investments* [Docket No. 2320], and (g) time spent researching and advising the Restructuring Sub-Committee on the implications of the Debtors' sale of Sears Roebuck Acceptance Corporation's medium term notes [Docket No. 642].

M. Creditor Inquiries [Matter 715]

Total Fees: 1,462.50

Total Hours: 1.3

37. This task code includes time spent by Paul, Weiss attorneys responding to creditor inquiries, as it relates to RSC Conflict Matters, regarding the various notices the Debtors sent to their creditors and stakeholders.

N. Corporate Governance [Matter 716]

Total Fees: \$12,538.00

Total Hours: 11.4

38. This task code includes time spent by Paul, Weiss attorneys analyzing corporate governance issues, such as the scope of the Restructuring Sub-Committee's duties as they relate to the investigation of prepetition related party transactions. This task code also includes time spent reviewing and analyzing corporate governance documents.

39. The forgoing professional services performed by Paul, Weiss were necessary to and appropriate for the administration of the Debtors' Chapter 11 Cases during the Fee Period and were in the best interests of the Debtors and their stakeholders. Compensation of such services is commensurate with the complexity, importance, and the nature of the issues and tasks that were involved. The professional services were performed skillfully and efficiently.

40. Many of the services performed by partners and associates of Paul, Weiss were provided by Paul, Weiss's Litigation Group, and Bankruptcy & Corporate Reorganization Group. Paul, Weiss has a prominent practice in these areas and enjoys a national and international reputation for its expertise in investigations, financial reorganizations and restructurings of troubled companies. The attorneys at Paul, Weiss have represented either the debtors or an official or unofficial creditors' committee or have acted as special counsel in many large chapter 11 cases.

41. In addition, due to the facts and circumstances of these Chapter 11 Cases, attorneys from Paul, Weiss's real estate and corporate groups were also involved with Paul, Weiss's representation of the Debtors. These practice groups also enjoy a national and international reputation for their expertise. Overall, Paul, Weiss brings to these Chapter 11 Cases a particularly high level of skill and knowledge, benefiting the Debtors and all stakeholders.

Actual and Necessary Expenses Incurred by Paul, Weiss

42. As set forth in Exhibit D attached hereto, Paul, Weiss has incurred a total of \$288,917.88 in expenses on behalf of the Debtors during the Fee Period. These charges are intended to reimburse Paul, Weiss's direct operating costs, which are not incorporated into Paul, Weiss's hourly billing rates. Paul, Weiss charges external copying and computer research at the provider's cost without markup. Only clients who actually use services of this type are separately charged for such services. The effect of including such expenses as part of the hourly billing rates would impose that cost upon clients who do not require extensive photocopying and other facilities and services.

43. The time constraints imposed by the circumstances of these Chapter 11 Cases required Paul, Weiss attorneys and other employees to devote substantial time during the evenings and on weekends to perform services on behalf of the Debtors. These services were essential to meet deadlines relating to various tasks in connection with the RSC Conflict Matters and the orderly administration of the Debtors' estates. Consistent with firm policy, and as further disclosed in the Retention Application, Paul, Weiss attorneys and other Paul, Weiss employees who worked late in the evenings or on weekends were reimbursed for their reasonable meal and transportation costs. All overtime meals were capped at \$20.00 per meal per the Fee Guidelines.

Paul, Weiss's regular practice is not to include components for those charges in overhead when establishing billing rates, but rather to charge its clients for these and all other out-of-pocket disbursements incurred during the regular course of the rendition of legal services.

44. In compliance with the Fee Guidelines, Paul, Weiss charged \$0.10 per page for photocopying. This does not exceed the maximum rate set by the Fee Guidelines.

45. In addition, due to the location of the Debtors' businesses, creditors, and other parties in interest in relation to Paul, Weiss's offices, frequent multi-party telephone conferences involving numerous parties were required. The disbursements for such services are not included in Paul, Weiss's overhead for the purpose of setting billing rates, and Paul, Weiss has made every effort to minimize its disbursements in these Chapter 11 Cases. The actual expenses incurred in providing professional services were necessary, reasonable, and justifiable under the circumstances to serve the needs of the Debtors in these Chapter 11 Cases.

46. Among other things, Paul, Weiss ensures that all overtime meals, travel meals, hotel rates, and airfares are reasonable and appropriate expenses for which to seek reimbursement. Specifically, Paul, Weiss regularly reviews its bills to ensure that the Debtors are only billed for services that were actual and necessary and, where appropriate, prorates expenses. In that regard, Paul, Weiss has voluntarily waived certain fees and reduced its fees and expenses following regular internal reviews of its bills. In the Fee Period, Paul, Weiss voluntarily reduced its fees by \$175,000.50 and its voluntarily reduced its expenses by \$3,113.82. Consequently, Paul, Weiss does not seek payment of such fees or reimbursement of such expenses in this Fee Application.

Paul, Weiss's Requested Compensation and Reimbursement Should Be Allowed

47. Section 330 of the Bankruptcy Code provides that a court may award a professional employed under section 327 of the Bankruptcy Code “reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses.” 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded . . . the court shall consider the nature, extent, and the value of such services, taking into account all relevant factors, including—

- (a) the time spent on such services;
- (b) the rates charged for such services;
- (c) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (d) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (e) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (f) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

48. Paul, Weiss respectfully submits that the services for which it seeks compensation in this Fee Application were, at the time rendered, necessary for and beneficial to the Debtors and their estates and were rendered to protect and preserve the Debtors’ estates. Paul, Weiss further believes that it performed the services for the Debtors economically, effectively, and efficiently, and the results obtained benefited not only the Debtors, but also the Debtors’ estates

and the Debtors' stakeholders. Paul, Weiss further submits that the compensation requested herein is reasonable in light of the nature, extent, and value of such services to the Debtors, their estates, and all parties in interest.

49. During the Fee Period, Paul, Weiss's hourly billing rates for attorneys ranged from \$1,165.00 to \$1,560.00 for partners, \$1,125.00 to \$1,160.00 for counsel, \$640.00 to \$1,065.00 for associates, \$270.00 to \$490.00 for staff attorneys and paraprofessionals, and \$640.00 for visiting lawyers. These hourly rates and corresponding rate structure utilized by Paul, Weiss in these Chapter 11 Cases are equivalent to the hourly rates and corresponding rate structure used by Paul, Weiss for restructuring, bankruptcy, insolvency, and comparable matters, and similar complex corporate, securities, and litigation matters, whether in court or otherwise, regardless of whether a fee application is required. Paul, Weiss strives to be efficient in the staffing of all matters. These rates and the rate structure reflect that such matters are typically national in scope and involve great complexity, high stakes, and severe time pressures—all of which were present in these Chapter 11 Cases.

50. Moreover, Paul, Weiss's hourly rates are set at a level designed to compensate Paul, Weiss fairly for the work of its attorneys and paraprofessionals and to cover certain fixed and routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions and are consistent with the rates charged elsewhere.

51. In sum, Paul, Weiss respectfully submits that the professional services provided by Paul, Weiss on behalf of the Debtors and their estates during these Chapter 11 Cases were necessary and appropriate given the complexity of these Chapter 11 Cases, the time expended by Paul, Weiss, the nature and extent of Paul, Weiss's services provided, the value of Paul, Weiss's

services, and the cost of comparable services outside of bankruptcy, all of which are relevant factors set forth in section 330 of the Bankruptcy Code. Accordingly, Paul, Weiss respectfully submits that approval of the compensation sought herein is warranted and should be approved.

Reservation of Rights

52. It is possible that some professional time expended or expenses incurred during the Fee Period are not reflected in this Fee Application. Paul, Weiss reserves the right to include such amounts in future fee applications.

Notice

53. Notice of this Motion shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (v) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D.

Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

54. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE, Paul, Weiss respectfully requests that the Court enter an order:

(a) awarding Paul, Weiss compensation for professional and paraprofessional services provided during the Fee Period in the amount of \$14,377,232.25, and reimbursement of actual, reasonable and necessary expenses incurred in the Fee Period in the amount of \$288,917.88; (b) authorizing and directing the Debtors to remit payment to Paul, Weiss for such fees and expenses; and (c) granting such other relief as is appropriate under the circumstances.

Dated: April 15 2019
New York, New York

/s/ Paul M. Basta
PAUL, WEISS, RIFKIND, WHARTON &
GARRISON LLP
1285 Avenue of the Americas
New York, New York 10019
Tel: 212-373-3000
Fax: 212-757-3990
Paul M. Basta
Kelley A. Cornish
Lewis R. Clayton

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

Exhibit A

Basta Declaration

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re: : **Chapter 11**
:
SEARS HOLDINGS CORPORATION, et al. : **Case No. 18-23538 (RDD)**
:
Debtors.¹ : **(Jointly Administered)**
:
-----X

**DECLARATION OF PAUL BASTA
IN SUPPORT OF THE FIRST INTERIM FEE APPLICATION OF
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP, ATTORNEYS
FOR THE DEBTORS, FOR THE PERIOD FROM OCTOBER 15, 2018 THROUGH AND
INCLUDING FEBRUARY 28, 2019**

PAUL BASTA makes this declaration under 28 U.S.C. § 1746:

1. I am a partner in the law firm of Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul, Weiss”), an international law firm with its principal offices at 1285 Avenue of the Americas, New York, New York 10019. I am a lead attorney from Paul, Weiss working on the above-captioned chapter 11 cases (the “Chapter 11 Cases”). I am a member in good standing of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); SHC Licensed Business LLC (3718); SHC Promotions LLC (9626); Sears Brands Management Corporation (5365), and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

the Bar of the State of New York and I have been admitted to practice in the United States District Court for the Southern District of New York.

2. I have read the foregoing fee application of Paul, Weiss for the Fee Period (the “Fee Application”).² To the best of my knowledge, information, and belief, the statements contained in the Fee Application are true and correct. In addition, I believe that the Fee Application complies with Local Rule 2016-1 and the Fee Guidelines.

3. In connection therewith, I hereby certify that:

- a) I have read this application;
- b) to the best of my knowledge, information, and belief, formed after reasonable inquiry, the fees and disbursements sought in the Fee Application are permissible under the relevant rules, court orders, and Bankruptcy Code provisions;
- c) the fees and disbursements sought in the Fee Application are billed at rates customarily employed by Paul, Weiss and generally accepted by Paul, Weiss’s clients. In addition, none of the professionals seeking compensation varied their hourly rate based on the geographic location of the Debtors’ case;
- d) in providing a reimbursable expense, Paul, Weiss does not make a profit on that expense, whether the service is performed by Paul, Weiss in-house or through a third party;
- e) in accordance with Bankruptcy Rule 2016(a) and section 504 of the Bankruptcy Code, no agreement or understanding exists between Paul, Weiss and any other person for the sharing of compensation to be received in connection with the above cases except as authorized pursuant to the Bankruptcy Code, Bankruptcy Rules, or Local Rules; and
- f) all services for which compensation is sought were professional services on behalf of the Debtors and not on behalf of any other person.

4. Pursuant to Section B(2) of the Local Guidelines, and as required by the Interim Compensation Order, I certify that Paul, Weiss has complied with the provisions requiring Paul,

² Capitalized terms used, but not otherwise defined herein, have the meanings ascribed to them in the Fee Application.

Weiss to provide the Debtors and the U.S. Trustee with a statement of Paul, Weiss's fees and expenses accrued during the previous month within the timetables set forth in the Interim Compensation Order.

5. Pursuant to Section B(3) of the Local Guidelines, I certify that Paul, Weiss has provided the U.S. Trustee and the Debtors with a statement of Paul, Weiss's fees and expenses incurred during the Fee Period.

6. In accordance with the U.S. Trustee's Guidelines, Paul, Weiss responds to the questions identified therein as follows:

Question 1: Did Paul, Weiss agree to any variations from, or alternatives to, Paul, Weiss's standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the Fee Period? If so, please explain.

Answer: No.

Question 2: If the fees sought in the Fee Application as compared to the fees budgeted for the time period covered by the Application are higher by 10% or more, did Paul, Weiss discuss the reasons for the variation with the client?

Answer: The fees sought for the Fee Period do not exceed those budgeted for such time.

Question 3: Have any of the professionals included in the Application varied their hourly rate based on geographic location of the bankruptcy case?

Answer: No.

Question 4: Does the Application include time or fees related to reviewing or revising time records or preparing, reviewing or revising invoices? If so, please quantify by hours and fees.

Answer: The Application includes time for fees related to reviewing time records and preparing or reviewing invoices in connection with the preparation of monthly fee statements and invoices. The total time expended for such matters during the Fee Period is approximately 115.4 hours included within Task Code 705 and totals approximately \$86,183.

Question 5: Does the Application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify hours and fees.

Answer: As part of the ordinary review of time records to ensure compliance with the Fee Guidelines, certain information may be redacted or edited to protect privileged or confidential information. Any time expended on reviewing and redacting time records for privileged or confidential information is included within Task Code 705 and includes time spent to (i) ensure that time entries comply with the Fee Guidelines and do not disclose privileged or confidential information, (ii) prepare monthly fee statements and begin to prepare the Fee Application, (iii) ensure the adequacy of disclosure regarding activities included in the Fee Application, and (iv) time spent on retention and on review of conflicts checks for parties in interest in these Chapter 11 Cases. As set forth above, the total time expended for such matters during the Fee Period is approximately 115.4 hours included within Task Code 705 and totals approximately \$86,183. All of these services were necessary components of Paul, Weiss's fee and retention activities.

Question 6: Does the Application include any rate increases since Paul, Weiss's retention in these cases? If so, did the client review and approve those rate increases in advance? Did the client agree when retaining the law firm to accept all future rate increases?

Answer: The Fee Application does not include any rate increases since Paul, Weiss's retention in these Chapter 11 Cases.

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7. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing
is true and correct to the best of my knowledge and belief.

Dated: April 15, 2019
New York, New York

Respectfully submitted,

/s/ Paul M. Basta
Paul M. Basta

Exhibit B

**COMPENSATION BY PROFESSIONAL
OCTOBER 15, 2018 THROUGH FEBRUARY 28, 2019**

Name of Professional	Title	Department	Year Admitted	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Kelley Cornish	Partner	Bankruptcy	1984	1,560	531.6	816,114.00
Meredith Kane	Partner	Real Estate	1983	1,560	2.6	4,056.00
Paul Basta	Partner	Bankruptcy	1993	1,560	625.2	975,312.00
Lewis Clayton	Partner	Litigation	1979	1,560	352.0	544,206.00
Susanna Buerger	Partner	Litigation	2002	1,485	522.2	775,467.00
Manuel Frey	Partner	Corporate	2000	1,455	8.2	11,931.00
Robert Britton	Partner	Bankruptcy	2008	1,165	623.5	709,506.00
Jonathan Hurwitz	Counsel	Litigation	1987	1,160	709.8	823,368.00
Stephen Koo	Counsel	Corporate	1988	1,160	30.5	35,380.00
Karen King	Counsel	Litigation	2001	1,160	255.4	296,264.00
Karla Booth	Counsel	Real Estate	2006	1,125	19.5	21,937.50
Daniel Mason	Counsel	Litigation	2008	1,125	5.2	5,850.00
Adam Denhoff	Associate	Bankruptcy	2011	1,065	1.0	1,065.00
Shane Avidan	Associate	Litigation	2013	1,005	483.0	485,415.00
Anna-Lisa Vanzo	Associate	Litigation	2016	920	3.8	3,496.00
Emma C. Carlson	Associate	Bankruptcy	2017	835	39.3	32,815.50
Michael Colarossi	Associate	Bankruptcy	2017	835	17.5	14,612.50
Julia Maddera	Associate	Litigation	2018	835	27.3	22,795.50
Felicia Siegel	Associate	Real Estate	2016	835	33.7	28,139.50
Wendy Wang	Associate	Real Estate	2018	835	0.3	250.50
Jonathan Silberstein-Loeb	Associate	Litigation	2015	940	521.7	490,398.00
Shaina Reiko Rogozen	Associate	Litigation	2012	1,030	295.5	304,365.00
Paul Gross	Associate	Litigation	2018	1,030	80.4	59,094.00
Emily Hoyle	Associate	Litigation	2018	735	721.2	527,031.75
Nicolas Kabat	Associate	Litigation	2018	735	40.7	29,914.50
Jake Struebing	Associate	Litigation	2018	735	656.0	482,160.00
David Giller	Associate	Litigation	2015	940	799.5	747,300.00
Rachel Corrigan	Associate	Litigation	2019	640	790.4	505,856.00
Akila Sarathy	Associate	Litigation	Not admitted	640	650.3	416,192.00
Caitlin Toto	Associate	Bankruptcy	2019	640	218.2	137,728.00
Teresa Lii	Associate	Bankruptcy	2014	920	560.3	512,946.00
Attorney Total:					9625.8	9,820,966.00

Name of Staff Attorneys, Paralegals, and Other Non-Legal Staff	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Joanie Hecht	480	259.5	124,560.00
Madhuri Pavamani	490	366.1	179,389.00
Peter Yoerg	480	406.4	195,072.00
Francine Murray	490	469.5	230,055.00
Joseph Samuel	480	345.5	165,840.00
Nilda Rivera	480	302.3	145,104.00
Binsy Cyriac	480	467.2	224,256.00
Ydalim Ramon	480	97.8	46,944.00
Destiny Harmon	480	360.9	173,232.00
Lisa Johnson	480	438.7	210,576.00
Alexandra Stancu	480	313.6	150,528.00
William Wolfsheimer	480	326.0	156,480.00
Mark Shapiro	480	442.1	212,208.00
Richard Dieguez	480	157.4	75,552.00
James Crutchfield	480	360.6	173,088.00
Scott Golodner	480	550.1	264,048.00
Chaim Rybak	480	374.8	179,904.00
Robin Cohen	480	64.2	30,816.00
Akiva Reich	480	507.2	243,456.00
John Rowland	480	511.9	245,712.00
Patricia Perez	480	74.8	35,904.00
Sergio Herrera	480	434.0	208,320.00
Ye Qing	480	314.1	150,768.00
Arianny Mejia	480	510.5	245,040.00
Qing Di	640	21.0	13,440.00
Joseph Monziona	365	53.9	19,673.50
Brooke Filler	365	16.8	6,132.00
Zakiya Williams Wells	315	28.0	8,820.00
Anna Margolis	315	14.3	4,504.50
Rubin Danberg Biggs	315	238.8	75,222.00
Sarah Griffin	315	272.3	85,774.50
Olivia Irby	315	114.4	36,036.00
Robert Graham	315	10.1	3,181.50
Frank Eng	365	185.2	67,598.00
Elisabeth Stuveras	345	102.8	35,466.00
Frank Oliveras	345	18.8	6,486.00
Justin Turnofsky	345	58.6	20,217.00
Alan Wilbur	345	205.4	70,863.00
Christopher Ho	345	82.2	28,359.00
Ai Na Liu	270	28.3	7,641.00
Total Staff Attorneys, Paralegals, and Other Non-Legal Staff:		9906.1	4,556,266.00

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners and Counsel	1,361.86	3,685.7	5,019,391.50
Associates	808.33	5,940.1	4,801,574.75
Staff Attorneys/Paralegals/Non- Legal Staff	459.95	9,906.1	4,556,266.00
Blended Attorney Rate	1,020.28		
Blended Rate All Timekeepers	736.09		
Total Fees Incurred		19,531.90	\$14,377,232.25

Exhibit C

**COMPENSATION BY TASK CODE
OCTOBER 15, 2018 THROUGH FEBRUARY 28, 2019**

**AGGREGATE TIME SUMMARY BY TASK CODE
FOR THE PERIOD OCTOBER 15, 2018 THROUGH FEBRUARY 28, 2019**

Project Category	Total Hours	Total Fees (\$)
Case Administration (701)	164.1	99,557.00
Conflict Matters: General (702)	415.6	347,561.50
Conflict Matters: Investigations & Discovery (703)	15,368.2	10,061,264.50
Conflict Matters: Strategic Advice (704)	69.8	56,810.50
Fee/Employment Applications (Paul, Weiss) (705)	264.3	208,879.50
Fee/Employment Applications (Other) (706)	175.5	182,859.50
Fee/Employment Objections (707)	0	0
Cash Collateral/DIP Issues (708)	29.9	36,545.50
Plan and Disclosure Statement (709)	53.3	61,589.00
Litigation (710)	922.2	897,945.50
Valuation (711)	0	0
Travel Time (712)	58.2	33,313.75
Court Hearings (713)	270.3	349,876.50
Sale Transactions (714)	1,727.8	2,027,029.00
Creditor Inquiries (715)	1.3	1,462.50
Corporate Governance (716)	11.4	12,538.00
TOTAL	19,531.9	\$14,377,232.25

TIME SUMMARY BY TASK CODE

Task Code 701 Case Administration	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	4.5	x	1,560	=	7,020.00
Robert Britton	Partner	9.6	x	1,165	=	10,816.00
Susanna M. Buerger	Partner	0.2	x	1,485	=	297.00
Kelley A. Cornish	Partner	5.7	x	1,560	=	8,892.00
Emma C. Carlson	Associate	12.5	x	835	=	10,437.50
Michael J. Colarossi	Associate	1.0	x	835	=	835.00
Emily M. Hoyle	Associate	1.6	x	735	=	1,176.00
Teresa Lii	Associate	18.7	x	920	=	17,204.00
Caitlin J. Toto	Associate	17.9	x	640	=	11,456.00
Rubin Danberg Biggs	Paralegal	5.2	x	315	=	1,638.00
Brooke Filler	Paralegal	1.8	x	365	=	657.00
Sarah Griffin	Paralegal	18.9	x	315	=	5,953.50
Joseph Monziona	Paralegal	52.8	x	365	=	19,272.00
Zakiya Williams Wells	Paralegal	0.7	x	315	=	220.50
Christopher Ho	Paralegal	2.3	x	345	=	793.50
Ai Na Liu	Paralegal	10.7	x	270	=	2,889.00
Totals:		164.1				99,557.00
Task Code 702 Conflict Matters: General	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	2.8	x	1,560	=	4,368.00
Robert Britton	Partner	49.4	x	1,165	=	55,927.00
Susanna M. Buerger	Partner	5.7	x	1,485	=	8,464.50
Kelley A. Cornish	Partner	5.7	x	1,560	=	8,892.00
Shane D. Avidan	Associate	3.9	x	1,005	=	3,919.50
Emma C. Carlson	Associate	0.3	x	835	=	250.50
Rachel J. Corrigan	Associate	3.9	x	640	=	2,496.00
Emily M. Hoyle	Associate	8.6	x	735	=	6,321.00
Teresa Lii	Associate	94.0	x	920	=	86,480.00
Julia C. Maddera	Associate	21.2	x	835	=	17,702.00
Akila V. Sarathy	Associate	59.2	x	640	=	37,888.00
Jake E. Struebing	Associate	120.9	x	735	=	88,861.50
Caitlin J. Toto	Associate	33.9	x	640	=	21,696.00
Anna-Lisa F. Vanzo	Associate	3.8	x	920	=	3,496.00
Rubin Danberg Biggs	Paralegal	0.8	x	315	=	252.00
Frank Eng	Paralegal	1.5	x	365	=	547.50
Totals:		415.6				347,561.50
Task Code 703 Conflict Matters: Investigations & Discovery	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	298.3	x	1,560	=	465,348.00
Robert Britton	Partner	125.1	x	1,165	=	140,737.50

Susanna M. Buerger	Partner	324.9	x	1,485	=	482,476.50
Lewis R. Clayton	Partner	216.6	x	1,560	=	337,896.00
Kelley A. Cornish	Partner	159.5	x	1,560	=	248,820.00
Karla Booth	Counsel	0.2	x	1,125	=	225.00
Jonathan Hurwitz	Counsel	525.4	x	1,160	=	609,464.00
Karen King	Counsel	236.3	x	1,160	=	274,108.00
Stephen K. Koo	Counsel	1.0	x	1,160	=	1,160.00
Daniel Mason	Counsel	5.2	x	1,125	=	5,850.00
Shane D. Avidan	Associate	100.2	x	1,005	=	100,701.00
Emma C. Carlson	Associate	9.8	x	835	=	8,183.00
Rachel J. Corrigan	Associate	669.1	x	640	=	428,224.00
Adam M. Denhoff	Associate	1.0	x	1,065	=	1,065.00
David Giller	Associate	584.0	x	940	=	548,960.00
Emily M. Hoyle	Associate	595.8	x	735	=	437,913.00
Nicolas M. Kabat	Associate	10.4	x	735	=	7,644.00
Teresa Lii	Associate	55.6	x	920	=	51,152.00
Shaina Reiko Rogozen	Associate	295.5	x	1,030	=	304,365.00
Akila V. Sarathy	Associate	569.0	x	640	=	364,160.00
Jonathan Silberstein-Loeb	Associate	446.9	x	940	=	420,086.00
Jake E. Struebing	Associate	463.7	x	735	=	340,819.50
Caitlin J. Toto	Associate	15.4	x	640	=	9,856.00
Robin Cohen	Staff Attorney	64.2	x	480	=	30,816.00
James Crutchfield	Staff Attorney	350.6	x	480	=	168,288.00
Binsy Cyriac	Staff Attorney	465.7	x	480	=	223,536.00
Richard Dieguez	Staff Attorney	157.4	x	480	=	75,552.00
Scott Golodner	Staff Attorney	550.1	x	480	=	264,048.00
Destiny Harmon	Staff Attorney	360.9	x	480	=	173,232.00
Joanie Hecht	Staff Attorney	253.1	x	480	=	121,488.00
Sergio Herrera	Staff Attorney	434.0	x	480	=	208,320.00
Lisa Johnson	Staff Attorney	438.7	x	480	=	210,576.00
Arianny Mejia	Staff Attorney	510.5	x	480	=	245,040.00
Francine N. Murray	Staff Attorney	469.5	x	490	=	230,055.00
Madhuri Pavamani	Staff Attorney	366.1	x	490	=	179,389.00
Patricia Perez	Staff Attorney	74.8	x	480	=	35,904.00
Ye Qing	Staff Attorney	313.8	x	480	=	150,624.00
Ydalim Ramon	Staff Attorney	97.5	x	480	=	46,800.00
Akiva Reich	Staff Attorney	507.2	x	480	=	243,456.00
Nilda E. Rivera	Staff Attorney	302.3	x	480	=	145,104.00
John Rowland	Staff Attorney	511.9	x	480	=	245,712.00
Chaim Rybak	Staff Attorney	374.8	x	480	=	179,904.00
Joseph L. Samuel	Staff Attorney	345.5	x	480	=	165,840.00
Mark Shapiro	Staff Attorney	442.1	x	480	=	212,208.00
Alexandra Stancu	Staff Attorney	313.6	x	480	=	150,528.00
William Wolfsheimer	Staff Attorney	325.8	x	480	=	156,384.00
Peter Yoerg	Staff Attorney	406.4	x	480	=	195,072.00
Qing Di	Visiting Lawyer	21.0	x	640	=	13,440.00
Rubin Danberg Biggs	Paralegal	208.4	x	315	=	65,646.00
Frank Eng	Paralegal	179.9	x	365	=	65,663.50

Robert Graham	Paralegal	10.1	x	315	=	3,181.50
Sarah Griffin	Paralegal	220.2	x	315	=	69,363.00
Olivia Irby	Paralegal	85.8	x	315	=	27,027.00
Anna Margolis	Paralegal	14.3	x	315	=	4,504.50
Christopher Ho	Paralegal	79.9	x	345	=	27,565.50
Ai Na Liu	Paralegal	17.6	x	270	=	4,752.00
Frank Oliveras	Paralegal	18.8	x	345	=	6,486.00
Elisabeth Stuveras	Paralegal	102.8	x	345	=	35,466.00
Justin Turnofsky	Paralegal	58.6	x	345	=	20,217.00
Alan D. Wilbur	Paralegal	205.4	x	345	=	70,863.00
Totals:		15368.2				10,061,264.50
Task Code 704 Conflict Matters: Strategic Advice	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	3.6	x	1,165	=	4,114.00
Kelley A. Cornish	Partner	2.6	x	1,560	=	4,056.00
Jonathan Hurwitz	Counsel	5.0	x	1,160	=	5,800.00
Shane D. Avidan	Associate	5.2	x	1,005	=	5,226.00
Rachel J. Corrigan	Associate	6.0	x	640	=	3,840.00
Nicolas M. Kabat	Associate	30.3	x	735	=	22,270.50
Teresa Lii	Associate	2.0	x	920	=	1,840.00
Akila V. Sarathy	Associate	15.1	x	640	=	9,664.00
Totals:		69.8				56,810.50
Task Code 705 Fee/Employment Applications (Paul, Weiss)	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	21.2	x	1,165	=	23,858.00
Kelley A. Cornish	Partner	6.4	x	1,560	=	9,984.00
Emma C. Carlson	Associate	5.1	x	835	=	4,258.50
Teresa Lii	Associate	125.1	x	920	=	115,092.00
Caitlin J. Toto	Associate	65.5	x	640	=	41,920.00
Ye Qing	Staff Attorney	0.3	x	480	=	144.00
Ydalim Ramon	Staff Attorney	0.3	x	480	=	144.00
William Wolfsheimer	Staff Attorney	0.2	x	480	=	96.00
Brooke Filler	Paralegal	14.4	x	365	=	5,256.00
Zakiya Williams Wells	Paralegal	25.8	x	315	=	8,127.00
Totals:		264.3				208,879.50
Task Code 706 Fee/Employment Applications (Other)	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	1.5	x	1,560	=	2,340.00
Robert Britton	Partner	59.5	x	1,165	=	66,937.50
Kelley A. Cornish	Partner	18.7	x	1,560	=	29,172.00
Emma C. Carlson	Associate	10.6	x	835	=	8,851.00
Teresa Lii	Associate	75.7	x	920	=	69,644.00
Caitlin J. Toto	Associate	8.9	x	640	=	5,696.00
Brooke Filler	Paralegal	0.6	x	365	=	219.00

Totals:		175.5				182,859.50
Task Code 708 Cash Collateral/DIP Issues	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	18.9	x	1,165	=	21,262.50
Kelley A. Cornish	Partner	8.2	x	1,560	=	12,792.00
Emma C. Carlson	Associate	1.0	x	835	=	835.00
Teresa Lii	Associate	1.8	x	920	=	1,656.00
Totals:		29.9				36,545.50
Task Code 709 Plan and Disclosure Statement	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	0.8	x	1,560	=	1,248.00
Robert Britton	Partner	16.2	x	1,165	=	18,873.00
Lewis R. Clayton	Partner	2.2	x	1,560	=	3,432.00
Kelley A. Cornish	Partner	10.2	x	1,560	=	15,912.00
Shane D. Avidan	Associate	1.6	x	1,005	=	1,608.00
Teresa Lii	Associate	22.3	x	920	=	20,516.00
Totals:		53.3				61,589.00
Task Code 710 Litigation	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	1.0	x	1,560	=	1,560.00
Robert Britton	Partner	5.5	x	1,165	=	6,407.50
Susanna M. Buerger	Partner	39.1	x	1,485	=	58,063.50
Lewis R. Clayton	Partner	38.2	x	1,560	=	59,592.00
Kelley A. Cornish	Partner	11.5	x	1,560	=	17,940.00
Jonathan Hurwitz	Counsel	103.2	x	1,160	=	119,712.00
Karen King	Counsel	14.2	x	1,160	=	16,472.00
Shane D. Avidan	Associate	272.5	x	1,005	=	273,862.50
Rachel J. Corrigan	Associate	83.1	x	640	=	53,184.00
David Giller	Associate	96.0	x	940	=	90,240.00
Paul C. Gross	Associate	19.4	x	1,030	=	14,259.00
Emily M. Hoyle	Associate	55.4	x	735	=	40,719.00
Teresa Lii	Associate	24.0	x	920	=	22,080.00
Julia C. Maddera	Associate	6.1	x	835	=	5,093.50
Jonathan Silberstein-Loeb	Associate	70.6	x	940	=	66,364.00
Jake E. Struebing	Associate	39.1	x	735	=	28,738.50
Caitlin J. Toto	Associate	22.5	x	640	=	14,400.00
James Crutchfield	Staff Attorney	10.0	x	480	=	4,800.00
Joanie Hecht	Staff Attorney	6.4	x	480	=	3,072.00
Rubin Danberg Biggs	Paralegal	2.9	x	315	=	913.50
Sarah Griffin	Paralegal	1.5	x	315	=	472.50
Totals:		922.2				897,945.50

Task Code 712 Travel Time	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	6.2	x	1,165	=	3,487.50
Lewis R. Clayton	Partner	6.3	x	1,560	=	4,914.00
Kelley A. Cornish	Partner	16.9	x	1,560	=	13,182.00
David Giller	Associate	9.0	x	940	=	4,230.00
Emily M. Hoyle	Associate	8.3	x	735	=	3,050.25
Teresa Lii	Associate	5.5	x	920	=	2,530.00
Caitlin J. Toto	Associate	6.0	x	640	=	1,920.00
Totals:		58.2				33,313.75
Task Code 713 Court Hearings	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	44.8	x	1,560	=	69,888.00
Robert Britton	Partner	36.4	x	1,165	=	41,850.00
Susanna M. Buerger	Partner	28.8	x	1,485	=	42,768.00
Lewis R. Clayton	Partner	36.2	x	1,560	=	56,472.00
Kelley A. Cornish	Partner	37.0	x	1,560	=	57,720.00
Jonathan Hurwitz	Counsel	29.6	x	1,160	=	34,336.00
Shane D. Avidan	Associate	1.5	x	1,005	=	1,507.50
David Giller	Associate	9.0	x	940	=	8,460.00
Teresa Lii	Associate	26.5	x	920	=	24,380.00
Caitlin J. Toto	Associate	18.5	x	640	=	11,840.00
Joseph Monziona	Paralegal	0.5	x	365	=	182.50
Zakiya Williams Wells	Paralegal	1.5	x	315	=	472.50
Totals:		270.3				349,876.50
Task Code 714 Sale Transactions	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Paul M. Basta	Partner	271.5	x	1,560	=	423,540.00
Robert Britton	Partner	260.6	x	1,165	=	302,523.00
Susanna M. Buerger	Partner	123.5	x	1,485	=	183,397.50
Lewis R. Clayton	Partner	52.5	x	1,560	=	81,900.00
Kelley A. Cornish	Partner	249.2	x	1,560	=	388,752.00
Manuel Frey	Partner	8.2	x	1,455	=	11,931.00
Meredith J. Kane	Partner	2.6	x	1,560	=	4,056.00
Karla Booth	Counsel	19.3	x	1,125	=	21,712.50
Jonathan Hurwitz	Counsel	46.6	x	1,160	=	54,056.00
Karen King	Counsel	4.9	x	1,160	=	5,684.00
Stephen K. Koo	Counsel	29.5	x	1,160	=	34,220.00
Shane D. Avidan	Associate	98.1	x	1,005	=	98,590.50
Michael J. Colarossi	Associate	16.5	x	835	=	13,777.50
Rachel J. Corrigan	Associate	28.3	x	640	=	18,112.00
David Giller	Associate	101.5	x	940	=	95,410.00
Paul C. Gross	Associate	61.0	x	1,030	=	44,835.00
Emily M. Hoyle	Associate	51.5	x	735	=	37,852.50

Teresa Lii	Associate	107.7	x	920	=	99,084.00
Akila V. Sarathy	Associate	7.0	x	640	=	4,480.00
Felicia A. Siegel	Associate	33.7	x	835	=	28,139.50
Jonathan Silberstein-Loeb	Associate	4.2	x	940	=	3,948.00
Jake E. Struebing	Associate	32.3	x	735	=	23,740.50
Caitlin J. Toto	Associate	29.6	x	640	=	18,944.00
Wendy L. Wang	Associate	0.3	x	835	=	250.50
Binsy Cyriac	Staff Attorney	1.5	x	480	=	720.00
Rubin Danberg Biggs	Paralegal	21.5	x	315	=	6,772.50
Frank Eng	Paralegal	3.8	x	365	=	1,387.00
Sarah Griffin	Paralegal	31.7	x	315	=	9,985.50
Oliva Irby	Paralegal	28.6	x	315	=	9,009.00
Joseph Monzione	Paralegal	0.6	x	365	=	219.00
Totals:		1727.8				2,027,029.00
Task Code 715 Creditor Inquiries	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	1.3	x	1,165	=	1,462.50
Totals:		1.3				1,462.50
Task Code 716 Corporate Governance	Title	Total Hours		Hourly Rate (\$)		Total Compensation (\$)
Robert Britton	Partner	10.0	x	1,165	=	11,250.00
Teresa Lii	Associate	1.4	x	920	=	1,288.00
Totals:		11.4				12,538.00

Exhibit D

EXPENSE SUMMARY

**AGGREGATE ITEMIZED DISBURSEMENTS
FOR THE PERIOD OCTOBER 15, 2018 THROUGH FEBRUARY 28, 2019**

Expenses Category	Total Expenses (\$)
Court Costs & Lit Expenses	46,336.67
Client Organizational Expenses	4,412.50
Information Retrieval Services	68,042.85
Out-of-Town Travel	23,156.03
Miscellaneous	534.41
Word Processing	6,663.75
Overtime Expenses	19,235.21
Duplicating Expenses	83,357.49
Communications	429.41
Mail and Messengers	4,499.32
Local Transportation Expenses	14,988.47
Business Expenses	17,261.77
TOTAL	288,917.88

Exhibit E

CUSTOMARY AND COMPARABLE COMPENSATION DISCLOSURES

Category of Timekeeper	Blended Hourly Rate	
	Billed by Attorneys in New York, excluding bankruptcy	Billed in this fee application
Partner	\$1,400.78	\$1,439.46
Counsel	\$1,084.83	\$1,165.09
Associates	\$821.56	\$808.33
Staff Attorneys, Paralegals and other Non-Legal Staff	\$463.59	\$459.95
All timekeepers aggregated	\$848.77	\$736.09

Exhibit F

BUDGET AND STAFFING PLAN OCTOBER 15, 2018-FEBRUARY 28, 2019

Budget

	Aggregate Bill	Aggregate Hours Billed	Primary Work Streams
October 2018	\$1,142,712–\$1,380,777	1,200.00-1,450.00	Filing/First Days/Deal/DIP Financing/RSC Governance
November 2018	\$2,716,917–\$2,910,983	3,500.00-3,750.00	Investigation/Sale Issues
December 2018	\$3,659,561–\$3,830,568	5,350.00-5,600.00	Investigation/Sale Issues
January 2019	\$4,502,361–\$4,654,480	6,000.00-6,250.00	Investigation/Sale Issues
February 2019	\$2,063,600–\$2,251,200	2,750.00-3,000.00	Sale Hearing/Disclosure Statement/Plan
Total:	\$14,085,150- \$15,028,008	18,800.00-20,050.00	

Staffing Plan

CATEGORY OF TIMEKEEPER	NUMBER OF TIMEKEEPERS EXPECTED TO WORK ON THE MATTER DURING THE BUDGET PERIOD	AVERAGE HOURLY RATE
Partner	5-7	\$1,477.86
Counsel	3-5	\$1,146.00
Sr. Associate (7 or more years since first admission)	2-4	\$1,017.50
Associate (4-6 years since first admission)	3-5	\$951.25
Jr. Associate (1-3 years since first admission)	5-7	\$762.27
Staff Attorneys	15-25	\$480.83
Paralegals & Other Professionals	12-15	\$326.92